

OGC HAS REVIEWED.

Contract Section
Thru: Chief, Services Branch
General Counsel

28 June 1948

STATINTL

Contract

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1. Returned herewith is and the accompanying file, which were submitted for consideration of changes requested by contractor's letter of 16 June.

2. There is no objection to the intent which the contractor wishes to have expressed, but we believe it would be preferable to make clear:
a) that the contractor is to give advance notice of any change in rates on renewal of this contract; b) that the 15-day termination notice applies only to the service provisions; and, c) that the termination notice is to be given in writing. These points are considered separately below.

a) It appears from the wording of the contract and from the correspondence that the service rate for maintaining and operating the alarm system of \$360.00 per year is a firm offer for the fiscal year, and no change would take place except upon renewal for further fiscal years. We suggest, therefore, that the renewal clause read as follows:

"The Government reserves the right to renew the contract for maintenance and operation of the alarm system from year to year during the occupation of the premises by giving written notice of intent so to renew not later than ten days before the end of any fiscal year. Such renewal will provide for a service charge at the same rate prevailing at the time such notice is mailed, unless within five days after such mailing the Government is furnished with information that the contractor is changing its service charge to all customers for the coming fiscal year. The contractor will on demand at any time furnish the Government with copies of his published service charges."

b) The termination clause might be construed by the contractor as permitting it to terminate the installation work, as well as the service contract.

c) In any case, we feel that both parties should be required to give notice of termination in writing. We, therefore, suggest that the termination clause read as follows:

"The portion of this contract relating to maintenance and operation of the alarm system may be terminated at any time by either party by giving written notice to the other 15 days prior to such termination."

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